Council Agenda: January 13, 2004

Agenda Item: 2, 15

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: William Clayton, Chair, San Jose Arena Authority CM/FoR

Subject: Recommendation for HP Pavilion Management's Advertising Plan

Date: December 10, 2003

RECOMMENDATION

It is recommended by the San Jose Arena Authority Board of Directors that HP Pavilion Management's biennial Advertising Plan be recommended for approval by the Mayor and City Council of San Jose.

BACKGROUND

HP Pavilion Management has formally submitted to the Arena Authority Board of Directors an advertising plan for the display of advertising signs at HP Pavilion at San Jose. Included in the plan are three features (listed numbers 1-3 below) which are consistent with the text of Attachment 8: Arena Advertising of the Amended and Restated Arena Management Agreement. The fourth component to HP Pavilion Management's advertising proposal (listed number 4 below) is not specifically called out in the management agreement but can be considered for approval within the spirit of the agreement. A brief synopsis of each component to the plan is included below for review and consideration:

- (1) Changes from uniform letters to trademark logos for concession franchises on the upper concession fascias that meet the space requirements as identified in the Amended and Restated Arena Management Agreement. Additionally, concession areas would be enhanced to match the color schemes of each concession franchise. (Space requirements as defined in the management agreement indicate that signage shall not be larger in area than the product of one-half the fascia height times the length of the front edge of the counter.)
- (2) The addition of informational signs at Pavilion suites that identifies the names of suite holders.
- (3) The lowering of eight concourse pendant signs (jumbo ad panels) currently displayed at the Pavilion north and south entrances. To facilitate this activity, some neon figures will need to be relocated above the Pavilion concourse concession areas. HP Pavilion Management has determined that each pendant sign will be lowered approximately eight feet.

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(4) The addition of 32 back lit signs (wall advertising panels), each measuring 4' by 8' that would be affixed to the gray brick wall areas adjacent to food and beverage service carts along the Pavilion concourse. Each of these signs would be displayed in pairs and encased in stainless steel frames, which is consistent with the fixtures and appointments along the Pavilion concourse. (Please note that no wall space dedicated for the display of San Jose Sports Hall of Fame plaques would be adversely impacted by the addition of these signs.)

ANALYSIS

HP Pavilion Management presented a comprehensive Pavilion advertising plan to the Arena Authority Board of Directors on December 4, 2003. Included in the plan were four specific items requiring Board review and consideration.

The first three components of the advertising plan (concession trademark signage, informational signs at Pavilion suites and the lowering of eight existing pendant signs) currently meet the requirements of **Attachment 8: Arena Advertising** of the Amended and Restated Arena Management Agreement. Relevant language from Attachment 8 relating to concession advertising (item 1 above) is as follows:

Advertising Within the Concourse

Signs identifying concession franchises on the concession stand fascias and back walls. Fascia signage shall not be larger in area than the product of one-half the fascia height times the length of the front edge of the counter.

Relevant language from Attachment 8 relating to informational signage for suites (item number 2) is as follows:

Arena Advertising Definitions

Excluded from the definition of advertising shall be:

Safety, directional and informational signage of the type and extent shown on the construction documents prepared by the office of Michael Manwaring and date July 4, 1990 as revised and approved by SJ and Manager.

(Please note that although this item is considered excluded from the definition of advertising, HP Pavilion Management has included the suite informational signs in their plan.)

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Relevant language (relating to item number 3, the pendant signs) from Attachment 8 is as follows:

Advertising Within the Concourse

Advertising of products not associated with events at the Arena within the Concourse shall be limited to 32 pendant signs with two faces each. Each face shall measure no more than 48 square feet.

The fourth item (32 back lit concourse signs) is not specifically identified in the Management Agreement. Specific language on concourse advertising included in the management agreement, reviewed by the Arena Authority's Facilities Committee and the Authority Board of Directors, contemplates the use of alternative standards and systems in the concourse. Below is the specific section of Attachment 8 relating to requests the Pavilion Manager may submit for alternative advertising standards within the concourse that may be applied to item 4:

Advertising Within the Concourse

From time to time (Pavilion) Manager may submit requests to the City for its approval for alternative standards and systems to be used in the concourse.

COORDINATION

HP Pavilion Management initially presented components to their advertising plan to the Arena Authority's Facilities Committee on October 2, 2003. The features to the advertising plan were developed by Mr. Michael Manwaring, the graphics designer responsible for the original graphics package that is currently displayed in the Pavilion.

In an effort to evaluate HP Pavilion Management's request to add 32 back lit signs in the Pavilion concourse, Authority staff contacted approximately 10 National Hockey League (NHL) and National Basketball League (NBA) arenas in North America to determine the number of advertising signs that are currently displayed along their public concourse areas. Representatives from seven arenas responded to the survey, with the survey results provided in the Authority's October and December Board of Directors meeting materials. This analysis was conducted through the employment of the "Applicable Standard", a standard identified in the management agreement in which HP Pavilion at San Jose is measured against other first class NHL and NBA arenas.

Following further review by the Arena Authority's Facilities Committee, a recommendation to approve all of the components to the advertising plan was presented by the Facilities Committee to the Arena Authority Board of Directors at the Authority's December 4, 2003 Annual Meeting. Please be advised that at the Arena Authority's December 4 Annual Meeting, the Authority Board approved the recommendation for HP Pavilion Management's advertising plan to be forwarded to the Mayor and City Council for approval.

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In advance of any new signs or panels being contemplated for display in the Pavilion concourse, members of the Arena Authority Board and staff will monitor the modifications and additions to these concourse advertising signs to determine that the signs are designed, placed and displayed in a fashion consistent with the "Applicable Standard". Additionally, the Arena Authority will continue to evaluate components to the plan to ensure that the plan remains consistent within the language and spirit of the management agreement.

As stated, Specific guidelines for advertising throughout HP Pavilion at San Jose are described in Attachment 8: Arena Advertising of the Amended and Restated Arena Management Agreement. Attachment 8 is included for your review. Additionally, Authority staff's report on concourse advertising in other North American NHL and NBA arenas is attached with this memorandum. Lastly, photo copies depicting the various components of HP Pavilion Management's advertising plan are included for your consideration.

ATTACHMENT 8 TO MANAGEMENT AGREEMENT: ARENA ADVERTISING

Definition

The term "advertising" shall include any graphic device that incorporates a registered trademark or trade name. The area of an advertising sign or device shall be the largest rectangle that encompasses all copy (both advertising and non-advertising), television monitor(s), background, and frame of such sign or device, not including suspension pendants or support posts.

Excluded from this definition of advertising shall be:

- 1. Safety, directional and informational signage of the type and extent shown on the construction documents prepared by the Office of Michael Manwaring and dated July 4, 1990 as revised and approved by SJ and Manager.
- 2. Decorative graphics of the type and extent shown on the construction documents prepared by the Office of Michael Manwaring and dated July 4, 1990 as revised and approved by SJ and Manager.
- 3. Decorative and commemorative art as may be incorporated into the project by SJ and/or the Fine Arts Commission.
- 4. Announcements displayed on the reader board or other electronic boards within the Arena of Arena events.
- 5. Temporary presentations of advertising or promotional materials displayed or distributed within the Arena, except in areas specifically prohibited from being used for such purposes, but in any event conforming to the Advertising Plan and Applicable Standard.
- 6. Within the club and restaurant, but not in areas visible from the concourse.

Exterior Advertising

With the exception of advertising expressly associated with the naming of the Arena building, all exterior advertising shall be prohibited, whether free-standing or affixed to the Arena Building. Announcements of future events at the Arena within areas designated for same shall be permitted. Reader Board, or other Facilities, unless approved by SJ and consistent with the Management Agreement.

Building Name

Advertising associated with naming of the Arena shall be handled pursuant to Section 6.03 of the Management Agreement

Interior Advertising

It is the intention of the parties that except for advertising within the Concourse which shall be governed by special provisions as set forth below, Manager shall be permitted to display or present advertising within the Arena consistent with an advertising plan developed by Manager and presented from time to time to the City for approval which approval shall be reasonably and promptly given. Said advertising plan shall be approved at least once every two (2) years and shall contain the locations/areas within the Arena where advertising is intended to be displayed and the manner and visual appearance of presentation. Manager and SJ acknowledge

- 1. SJ's continuing strong public interest in the visual appearance of the Arena and established public policy to require advertising within the Arena comply with the Applicable Standard and be compatible with the design aesthetics of the Arena, and
- 2. Manager's' legitimate expectations to develop and promote advertising within the Arena that is consistent with the applicable policies contained in this Attachment and in the Management Agreement.

Said advertising plan shall address such items as:

- (1) The scoreboards;
- (2) Hockey dasher boards;
- (3) The balcony fascia;
- (4) Team benches;
- (5) Scorers tables and penalty boxes;
- (6) Video systems;
- (7) User/location of banners;
- (8) Sky box level sound walls;
- (9) Sale and promotion of merchandise associated with events at the Arena;

- (10 Location of temporary advertising; and
- (11 Proprietary signs regarding name of club.

Advertising within the Concourse

- 1. Advertising of products not associated with events at the Arena within the Concourse shall be limited to 32 pendant signs with two faces each. Each face shall measure no more than 48 square feet.
- Signs identifying concession franchises on concession stand fascias and back walls. Fascia signage shall not be larger in area than the product of one-half the fascia height times the length of the front edge of the counter.
- 3. Frames around television monitors. Television monitors shall be confined to the pendant concourse signs and to the fascia or back wall of concession stands.
- 4. Signs on portable stands.
- 5. Proprietary signage necessary to identify the owner or operator of devices such as telephones and automatic teller machines.
- 6. From time to time, Manager may submit requests to the City for its approval for alternative standards and systems to be used in the Concourse.

San Jose Arena Authority

MEMORANDUM

Date:

October 1, 2003

To:

Chris Morrisey, Executive Director

From

Mike O'Kane, Program Administrator

Subject:

Concourse Advertising in NHL and NBA Arenas

CONCOURSE ADVERTISING IN NHL and NBA ARENAS

General Motors Place (Home of the Vancouver Canucks in Vancouver, Canada)

• 4' x 8' signs over all concessions indicating vendor

• 28 4' x 8" back-lit signs

• 12 4'x 4' back-lit signs near TV monitors

Arrowhead Pond (Home of The Mighty Ducks of Anaheim in Anaheim, California)

20 2' x 18' back-lit signs that are sold in pairs

Pepsi Center (Home of the Colorado Avalanche in Denver, Colorado)

- 3 size front-lit signs
- 4 20' x 8' signs
- 5 10' x 8' signs
- 15 5' x 8' or 8'x 5' signs on the main concourse
- 27 similar signs on the upper concourse.
- Other signs frame all the TV monitors.

Nationwide Arena (Home of the Columbus Blue Jackets in Columbus, Ohio)

• 20 top-lit 3' x 5' eye level signs on pillars

Conseco Field House (Home of the Indiana Pacers in Indianapolis, Indiana)

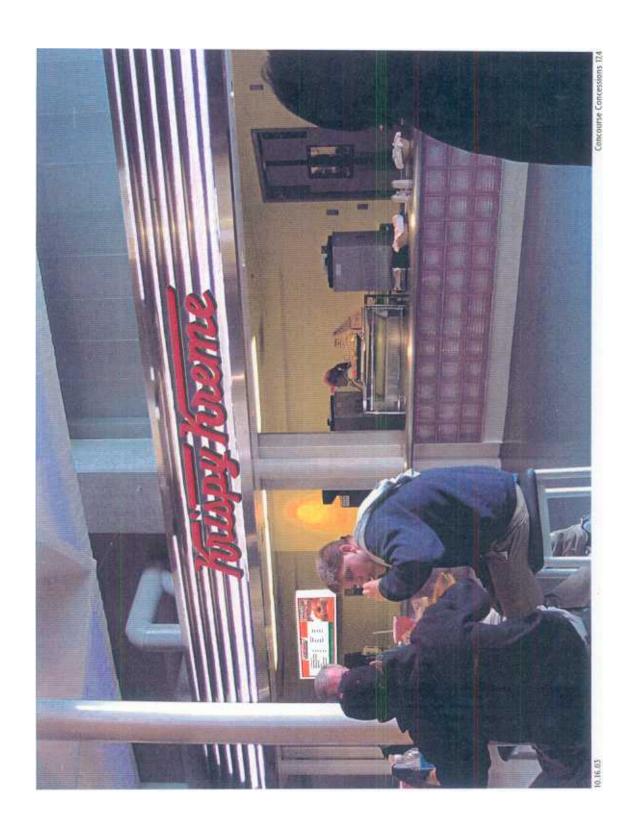
- 12 6' x 8' painted signs
- 13 8' x 10' painted signs
- All signs are painted on brick walls and are top-lit.

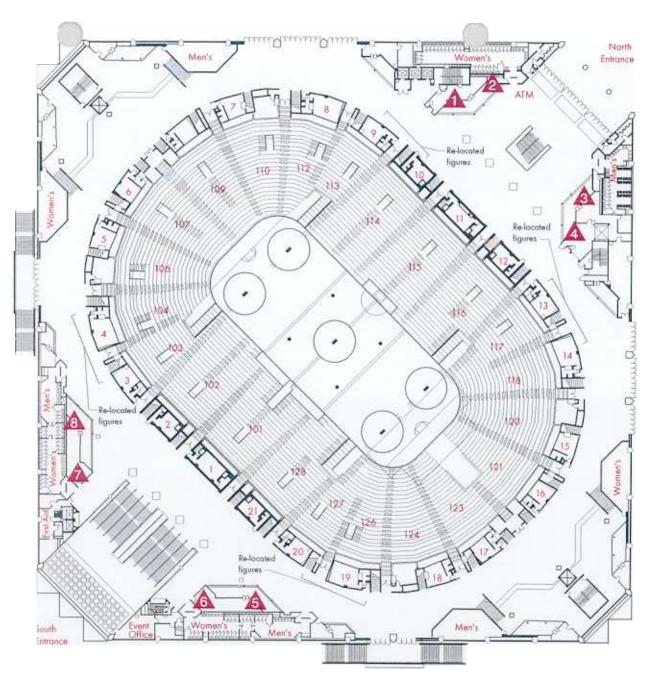
American Airlines Center (Home of the Dallas Stars in Dallas, Texas)

• 45 3' x 4' signs

Philips Arena (Home of the Atlanta Thrashers in Atlanta, Georgia)

- 10 3' x 6' signs
- 11 4' x 8' signs
- 9 8' x 8' signs
- 23 12' x 6' signs





Revised Jumbo Ad Panel Locations 12/08/03

Location 1.) Ad panel re-located between columns w/ top of frame to align with column face, and lowered w/ bottom edge of panel to align with top of middle yellow stripe @ large "W". 3 neon music figures to be re-located above fascia entries to 113 & 214.

Location 2.) Ad panel lowered in place. Bottom edge of panel to align w/ top of middle yellow stripe @ large "W". Large "W" restroom sign to be re-located on wall above restroom door (similar to east and west concourse locations).

Location 3.) Ad panel lowered in place. Bottom edge of panel to align w/ top of middle yellow stripe @ large "M". Large "M" restroom sign to be re-located on wall above restroom door. (similar to east and west concourse locations).

Location 4.) Ad panel re-located between columns w/top of frame to align with column face, and lowered w/ bottom edge of panel to align with top of middle yellow stripe @ large "M". 2 neon boxing figures to be re-located above fascia entries to 116 & 216, & 1 figure above fascia entries to 117 & 218.

Location 5.) Ad panel lowered in place with bottom edge of panel to align w/ top of middle yellow stripe @ large "W". All or most of the neon hockey figures to be re-located above fascia entries between 127 & 227, and 126 & 226

Location 6.) Ad panel lowered in place. Bottom edge of panel to align w/ top of middle yellow stripe @ large "W".

Location 7.) Ad panel lowered in place. Bottom edge of panel to align w/ top of middle yellow stripe @ large "W".

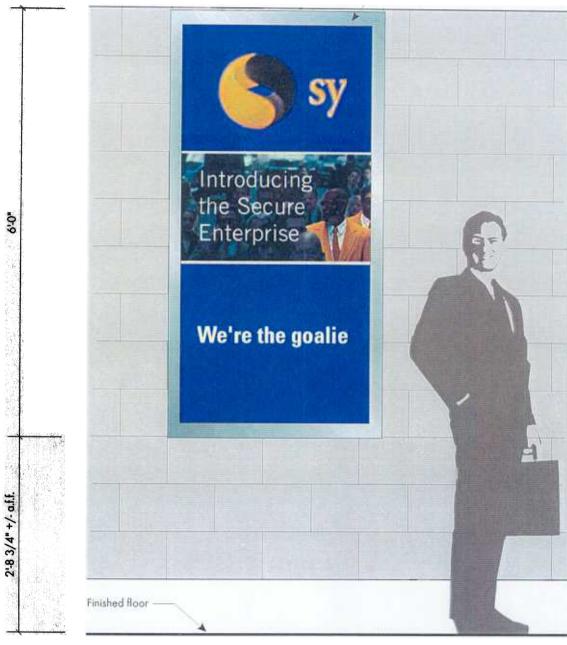
Location 8.) Ad panel lowered in place with bottom edge of panel to align w/ top of middle yellow stripe @ large "W". All or most of the neon gymnast figures to be re-located above fascia entries between 103 & 203, and 204 & 104.



Existing Condition North Entry Jocation

3'-0"

Horizontal brushed stainless steel cabinet backlit, with operable face for changeable 3M Panaflex (or approved equal) digitall printed advertising panels. Projection 3.5 from face of wall. Electrical service enters cabinet from rear, through block wall.



Wall Advertising Panel 3/4"=1'-0"



